



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Williams Electric Company, Inc.

File: B-275019

Date: January 16, 1997

Raymond Fioravanti, Esq., Epstein Becker & Green, P.C., for the protester.
Maj. Marvin Gibbs, and Gary M. Parker, Esq., Department of the Army, for the agency.

Mary G. Curcio, Esq., David A. Ashen, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that agency improperly rejected bid as unbalanced is denied where bidder's explanation of why certain costs were properly included under line items, the price for which the agency considered to be enhanced, rather than under other line items the price for which the agency considered to be understated, is based on an unreasonable interpretation of the solicitation.

DECISION

Williams Electric Company protests the rejection of its bid as unbalanced and the consequent award of a contract to North Landing Line Company under invitation for bids (IFB) No. DABT57-96-B-0090, issued by the Department of the Army for electrical work involving the replacement of crossarms, poles, and transformers at Fort Eustis, Virginia.

We deny the protest.

The solicitation schedule required bidders to provide a lump-sum price for each of four line items: CLIN 0001/Base Bid, for "Replacement of crossarms Feeder 'B'"; CLIN 0002/Optional Bid Item 0001, for "Replacement of poles, 85, 86, 87, and 88"; CLIN 0003/Optional Bid Item 0002, for "Replacement of poles 8-24, 8-25, and 8-28A";¹ and CLIN 0004/Optional Bid Item 0003, to "Replace pad mounted transformers, and 15 KV [kilovolt] oil switches, 800 block." The solicitation provided that the award

¹Although the schedule description of CLINs 0002 and 0003 referred to replacement of the specified poles, the drawings showed that the poles themselves were to remain, and instead various items related to the poles (such as the crossarms and switches) were to be replaced.

would be based on the total aggregate amount of the bid for the base and option items, but that any award was subject to the availability of funding. The Army rejected Williams's apparent low bid as unbalanced and made award to North on September 30, 1996 for CLIN 0001/Base Bid.

A bid that is based on nominal prices for some work and enhanced prices for other work is mathematically unbalanced. A mathematically unbalanced bid cannot be accepted if it is also materially unbalanced, that is, if there is a reasonable doubt that an award based on the bid will result in the lowest cost to the government. Sawadi Corp., B-265740; B-265741, Dec. 21, 1995, 95-2 CPD ¶ 279.

The bids of Williams and North, and the independent government cost estimate (IGCE), were as follows:

CLIN	Williams	North	IGCE
0001	\$491,000	\$ 99,400	\$190,154
0002	\$ 6,500	\$173,000	\$207,479
0003	\$ 6,500	\$173,000	\$217,853
0004	\$303,000	\$410,500	\$369,310
Total	\$807,000	\$855,900	\$984,796

The Army found Williams's bid mathematically unbalanced because it was overstated for CLIN 0001 and understated for CLINs 0002 and 0003. In this regard, the Army reports that Williams's prices for CLINs 0002 and 0003 were not sufficient even to cover the material costs for those items, as shown on drawings E-12, E-13 and E-14, which, according to the Army, detail the work for CLINs 0002 and 0003. The Army also found Williams's bid materially unbalanced because it was unsure if it would exercise any of the options, and Williams's bid was low only if all three options were awarded.

Williams does not dispute that its proposed price for CLIN 0001 was overstated and its price for CLINs 0002 and 0003 understated if, as the Army contends, drawings E-12, E-13, and E-14 described work that should be included under CLINs 0002 and 0003. Williams argues, however, that the work shown on these drawings was work that was required to be included under CLIN 0001. Consequently, argues Williams, its bid was improperly rejected.

Where a dispute exists as to the actual meaning of a solicitation requirement, our Office will resolve the matter by reading the solicitation as a whole and in a manner

that gives effect to all provisions of the solicitation. Mobile Medic Ambulance Serv., Inc., B-259045, Feb. 15, 1995, 95-1 CPD ¶ 92.

The solicitation included a packet of 17 drawings that detailed the work required by CLINs 0001, 0002, and 0003: Drawing E-1 was an electrical distribution site plan; Drawings E-2, E-3, and E-4 contained photographs of the individual poles; Drawings E-5 through E-14 detailed work required by the three CLINs; and Drawings E-15 through E-17 provided general construction details for the three line items. The electrical distribution site plan (Drawing E-1), which showed the electrical system in Fort Eustis, had three distinct areas delineated on it: the Base Bid (CLIN 0001) area, Optional Bid Item 0001 (CLIN 0002) area, and Optional Bid Item 0002 (CLIN 0003) area. The portion of the plan covering each area showed the poles within the area that are to be worked on; each pole was followed by two sets of parentheses, each containing a number which referenced a drawing where additional information related to the poles could be found. For example, the Optional Bid Item 0001 area included the entry "85, 86 (E-3) (E-11)," indicating that poles 85 and 86 are part of the work to be performed under CLIN 0002/Optional Bid Item 0001 and that further information related to this work could be found on Drawings E-3 and E-11.

Williams notes that Drawings E-12, E-13, and E-14 were not referenced in the parentheses following the poles to be worked on as part of Optional Bid Items 0001 and 0002 (CLINs 0002 and 0003). In addition, Williams points out that, while the description in the schedule of CLIN 0001 referred to the replacement of crossarms, the descriptions in the schedule of CLINs 0002 and 0003 referred only to the replacement of poles. Williams concludes from this that the work described on Drawings E-12, E-13, or E-14, which did not include the replacement of any poles, should not have been included under CLINs 0002 and 0003, but instead was properly included under CLIN 0001.

Williams's interpretation of the drawings is unreasonable. The only solicitation provisions that detailed the scope of the work to be performed under each line item were the drawings. While Williams is correct that Drawings E-12, E-13, and E-14 were not referenced in the parentheses following the poles to be worked on as part of CLINs 0002 and 0003, neither were the drawings referenced in the parentheses following the poles included under CLIN 0001. However, it is clear from a review of Drawings E-12, E-13 and E-14 that they were meant to detail work relating to CLINs 0002 and 0003; the only poles shown on these drawings (poles 8-24, 8-25, 8-28, 8-28A, 85, 86, 87, and 88) were the poles that are included under CLINs 0002 and 0003 in the schedule and on drawing E-1.

Williams argues that, to the extent that there is any inconsistency between Drawings E-12, E-13, and E-14 and the descriptions in the schedule of each line item, the schedule description governed under the solicitation's Order of

Precedence clause, which provided that "[a]ny inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order: (a) the schedule. . . ." According to Williams, therefore, work for other than the replacement of poles--as shown on Drawings E-12, E-13, and E-14--was properly included under CLIN 0001 (if not covered by CLIN 0004), even if the drawings suggested otherwise, because only the schedule description of CLIN 0001 referred to non-pole work (not associated with CLIN 0004). Williams's position, however, ignores the fact that the schedule description of CLIN 0001 in fact referred to work on Feeder B, a transmission line carried on poles other than those referenced in the schedule descriptions of CLINs 0002 and 0003. In our view, it was unreasonable to assume that work associated with poles covered under CLINs 0002 and 0003 was instead to be included under CLIN 0001, which covered an entirely different set of poles.

Since Williams thus included the cost of work required under CLIN 0002 and 0003 under CLIN 0001, Williams overstated its price for CLIN 0001 and understated its price for CLINs 0002 and 0003. The Army therefore reasonably found that Williams's bid was mathematically unbalanced.

Williams argues that, even if its bid was mathematically unbalanced, it should not have been rejected as materially unbalanced because there was no reasonable doubt that award to Williams will result in the lowest overall cost to the government. However, the Army reports that there was considerable doubt at the end of fiscal year 1996 whether any funding would be available for this project, and when funding was made available on September 29, it was only sufficient for award of the base item. In addition, according to the agency, even now there currently is no funding available for the option items and it currently has no intention of exercising any of the options. Williams notes that the Army advertised the scope of the project as between \$500,000 and \$1,000,000 and requested funding in the amount of \$984,796.07, arguing that this indicates that the options will be exercised within the 9-month period allowed for exercise. However, the amount of the funding request and the advertised scope of the project do not refute the agency's position that at the time of award there was no funding available for exercise of the options and no reasonable expectation of receiving such funding in the time allowed for their exercise. Since Williams's bid would not be low unless all three options were exercised, the Army did not have funding available at the time of award to exercise the options, and there was reasonable doubt as to whether sufficient funding would become available, there is no basis to question the Army's determination that there was reasonable doubt that award to Williams would result in the lowest overall cost

to the government. The Army therefore reasonably found that Williams's bid was materially unbalanced, and properly rejected the bid.

The protest is denied.

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